



INVESTMENT HUB

**RIGHT INVESTMENTS.
RIGHT PLACE.
RIGHT TIME.**

**THAT'S WHAT INVESTING
THROUGH PORTUS
IS ALL ABOUT.**

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INTRODUCTION

Thanks for taking the time to read about the range of investment options available through Irish Life's Portus platform. If you're reading this, you already know that a platform relationship is different to any you may have had with Irish Life or other providers before. It is less about what we think, and more about making sure we are able to host your proposition for your clients.

We do this by not just making a very wide range of investments open to you, but also overlaying this with a transparent governance process – something unique in the Irish market. Effectively, we do the due diligence on investment managers so you don't have to.

Nonetheless, with the investment world at your feet, it can be both difficult and time-consuming to make sense of the sheer range of options available. That's why we offer our Core and Select ranges of funds which we think might have a particular relevance to you and your clients. These ranges are developed in consultation with Morningstar OIBSR, the global investment analysis giant, and are rigorously monitored and maintained.

There's so much going on that we've given the Portus investment proposition its own home and its own name – the Portus Investment Hub. By the time you've finished with this guide, you'll understand just how comprehensive and well thought-through it is. We think it's the most evolved investment offering in the Irish market today. But what we think doesn't matter – it's your opinion that counts.

In a regulatory environment where it is more important than ever to be able to draw a very clear line from your clients' requirements, through the investment options you select for them, into the product in which you house these options, we think the extraordinary investment offering from Portus can make a real difference. We hope you think so too.

After reading the guide, please do get in touch with your normal Irish Life representative to discuss things further. We look forward to hearing from you.



Susan Gibson
Head of PORTUS Platform
Irish Life

WHICH COMES FIRST?

Typically, financial products in Ireland have offered a constrained investment range: in-house funds and a few external options. This is mainly because insured funds are held on the insurer's balance sheet and so providers have been cautious in extending the range.

As a result of this, there has been clear blue water between products offered by the various insurers you may have dealt with in the past. Some of this resides in product terms – price to client, exit fees, adviser remuneration and so forth – but some is inevitably down to investment selection. As a result, the landscape has tended to look like this:



The platform environment turns this on its head. Our new process looks like this:



We start from the same, crucial place: the needs of the client. No other part of the chain makes sense if this is missing, and advisers excel every day at judging it. But the wider range of investments and options along with the portfolio construction techniques available through platforms mean, for the first time, you can create an investment proposition first, and then decide the most tax-efficient way to hold that for your client.

Portus helps with this. Whether you create your own portfolios, use ready-made ones, or bespoke models, you will be able to replicate these across products. As a result, a number of good things happen. First, your advice becomes more **controllable, efficient, scalable** and **repeatable**. A client who walks in on Friday with a similar set of needs to one who walked in on Monday will receive something which resembles Monday's solution. That's good for business control and management.

Secondly, this changes the dynamic between us as a provider and you as an adviser comprehensively and fundamentally. The product provider is required to house the portfolio that you select, not dictate what you can and can't do.

We can also help by providing comprehensive research tools – not restricted to our fund range – for free to users of Portus. Our tools are powered by Morningstar, FE and eValue and we also offer an online risk assessment tool which maps back to portfolios. It is by harnessing technological power like this where we think we can make a real difference to your business.



All this said, simply putting a long-list of thousands of different funds in front of you isn't the answer either. It really is about quality not quantity. We think that as a responsible provider, we can help by placing a filter on the fund universe and making the results of this available to you in our governed ranges. But if you want the world, it's right there in our Self Invested Fund which offers access to over 2,000 other funds.

In the end, platforms exist to enable better outcomes for clients. Putting investment front and centre in the process is a key part of doing this.

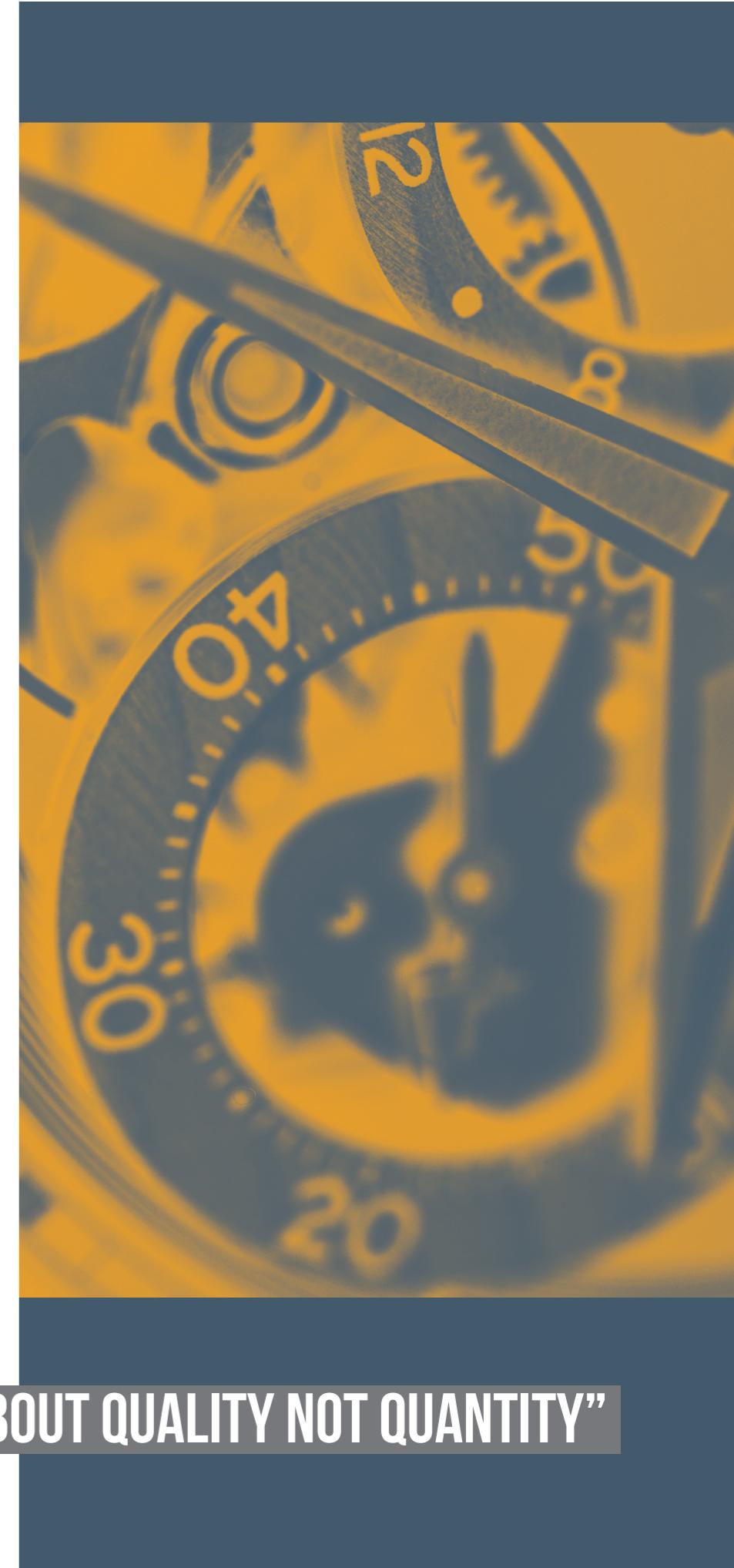
MAKING IT EASY

But if those outcomes are administratively cumbersome, hard to work with and frankly cost you time and money in your business, then we're no further forward.

We have designed Portus to offer everything you need for an holistic client experience. You can find more on this elsewhere, but the platform will allow you to:

1. assess your client's attitude to risk
2. select an appropriate investment solution
3. map that solution back to their risk attitude
4. monitor it on an ongoing basis

"...IT REALLY IS ABOUT QUALITY NOT QUANTITY"



ALL IN THE BALANCE

THE IMPORTANCE OF PORTFOLIO CONSTRUCTION

We agree with the academics. A portfolio-based approach is the best way to provide an investment solution which is:

- based on and relevant to client needs
- auditable
- maintainable
- efficient

We know many advisers already embrace this, but equally clients can be seduced by (very expensive) marketing from fund providers into badgering their adviser for the latest, greatest investment. We suspect we don't need to go into why this is a terrible idea.

There are as many approaches to portfolio construction as there are advice firms. Whether you espouse Markowitz and Modern Portfolio Theory, or are dedicated to trying to beat the market through absolute return strategies; or are a passive hound, doesn't matter, in a way. The first key thing is to have an approach that is based on an objective, back-tested, provable process. The second is to be able to implement it effectively and efficiently.



There is no place any more for amateur stock selection. There is no place for gut feel. The bedrock of any financial plan worth the name must be based on a comprehensive understanding of three things from the client:

- attitude to risk
- capacity for loss
- ability to withstand risk

The investment approach flows from there. Everything can be tied back to those three truths and a unified framework brings everything together.

If this sounds like a very complex area and not one we'd expect clients to engage with, then you are quite right. They shouldn't have to; because they have expertise from advisers and those advisers can also borrow expertise from others when they need to. A great practice not only leverages what it knows, it brings in others where it needs to.

And that's where Portus comes in.

Think of it as Team Client. Advice, technology, process, investment, all working with only one end in mind – providing the very best for your client.

JUST THE RIGHT AMOUNT

THE PORTUS INVESTMENT HUB

So that's enough theory. Time to look at exactly what you can access through Portus.

Our investment offer is comprehensive, and growing all the time. So in this document we'll restrict ourselves to a high level description of what's available. You can get up-to-date details including fund listings from your usual Irish Life contact.

PRINCIPLES

When designing Portus' investment range, we looked at other markets which have adopted platforms. Our observation was that although many advisers were excited initially by having immediate access to thousands of investment options, this changed quickly to wanting a more focused range with a comprehensive governance process.

Why? It seems the flexibility of unconstrained investment choice is a two-edged sword. Suitability requirements as well as independence requirements (in the UK, Australia and the USA at least) require advisers to demonstrate why they believe the investment approach they have selected is the most suitable for their clients. In turn this requires them to have surveyed the entire market and documented their approach in depth.

Irish Life believes that we can be of valuable assistance to advisers in taking the weight of this research and due diligence work on our shoulders. As a result, the proposition we put to you below is made up of a number of building blocks which are the results of our work, in conjunction with our partners Irish Life Investment Managers (ILIM) and Morningstar Old Broad Street Research (Morningstar OBSR). These building blocks span individual funds and ready-made portfolios, with innovative options we don't believe you will find anywhere else.

Let's have a look in more detail.

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THE MOST EVOLVED INVESTMENT OFFERING IN THE IRISH MARKET TODAY



CHOOSE FROM:

MULTI-ASSET PORTFOLIOS

- ILIM designed, all the convenience of a fund
- Risk and volatility controlled using ILIM's innovative Dynamic Share to Cash
- Quarterly rebalanced

BESPOKE PORTFOLIOS

- Adviser designed, all the convenience of a fund
- Option to add risk and volatility control using ILIM's innovative Dynamic Share to Cash
- Regularly rebalanced inside the fund

SELF BUILD PORTFOLIOS

- Individual funds
- You control all elements

SELECT RANGE

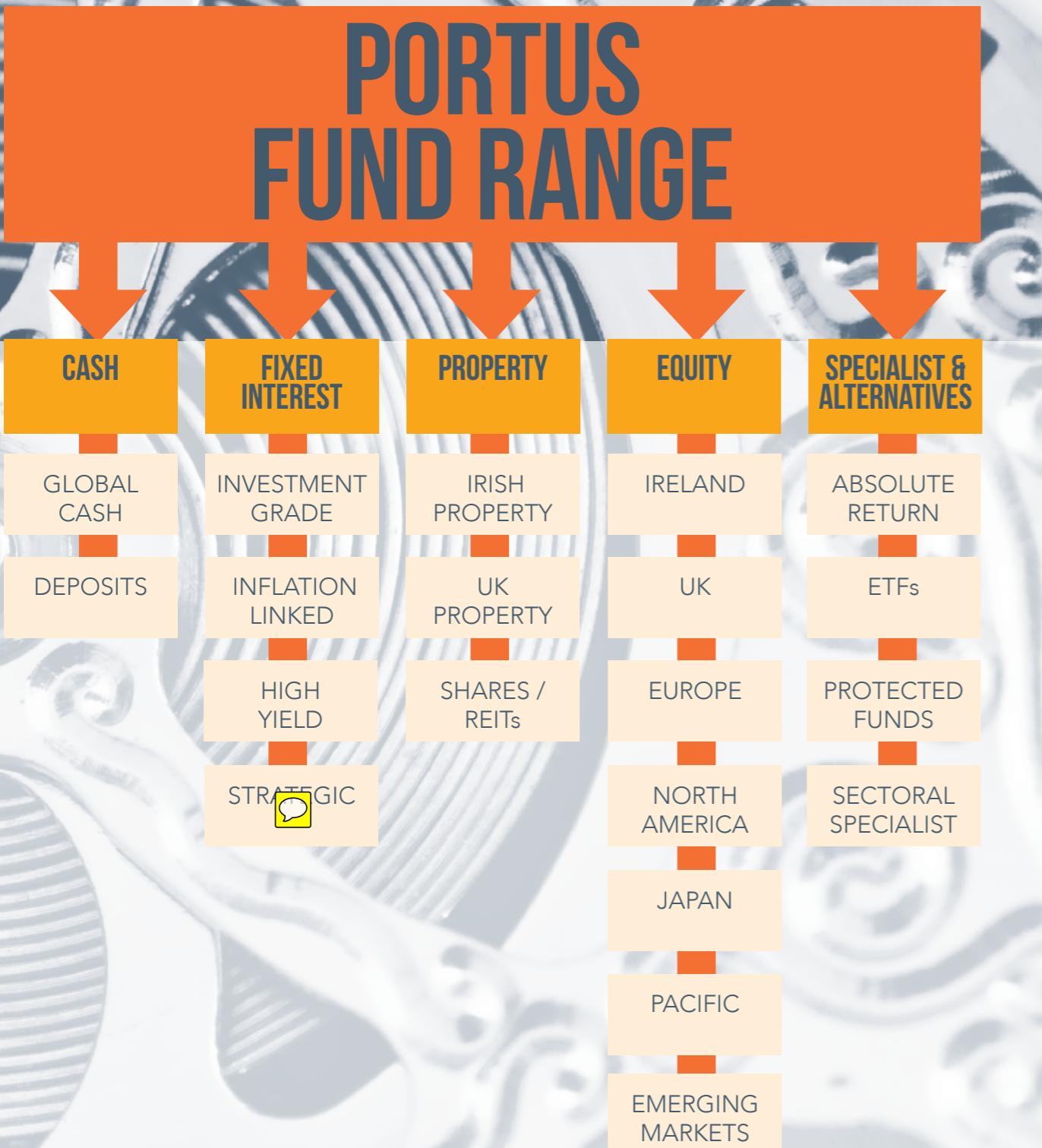
- C. 200 EXTERNAL FUNDS
- INTERNATIONALLY RENOWNED FUND MANAGERS
- MORNINGSTAR OCSR RATED

CORE RANGE

- C. 100 FUNDS
- ASSET CLASS COVERAGE, ACTIVE AND PASSIVE STRATEGIES
- EXTERNAL MANAGERS SELECTED BY MORNINGSTAR OCSR

ALL YOU SHOULD EVER NEED TO CONSTRUCT PORTFOLIOS

MORNINGSTAR®/obsr



BUILDING THE PORTFOLIO

BESPOKE PORTFOLIOS

Once we've decided together that bespoke portfolios are appropriate – and we can't do this for everyone – we will set up a workshop or series of workshops to discuss your requirements and arrange to tailor your solution. Once everything's agreed, ILIM will set up a bespoke range of single-priced portfolios for you inside an insured fund.

ILIM will monitor these on a regular basis and rebalance them quarterly back to their target asset allocation. This is done for you.

What really makes this special for you and your clients is that your bespoke portfolios can carry your own firm's name and naming convention – and they will not be visible to or used by any other firm.

As the amount of work on both sides to create these portfolios is considerable, bespoking is only appropriate for those firms who want to make Portus a key part of their business going forward, who are confident with investment selection and who are happy to commit to a long-term partnership.

MULTI-ASSET PORTFOLIO FUNDS

If you prefer to outsource completely, we offer a series of 5 Multi-Asset Portfolios (MAPs) from ILIM to help lighten the load. Each MAP is carefully modelled and volatility controlled to match a client risk profile which flows from the risk modelling tool inside Portus.

The 5 MAPs look like this:

RISK RATING	2 CAREFUL	3 CONSERVATIVE	4 BALANCED	5 EXPERIENCED	6 ADVENTUROUS
FUND NAME	MULTI ASSET PORTFOLIO 2	MULTI ASSET PORTFOLIO 3	MULTI ASSET PORTFOLIO 4	MULTI ASSET PORTFOLIO 5	MULTI ASSET PORTFOLIO 6

Every quarter the ILIM team rebalances the portfolio back to its target allocation to ensure that as long as your client's risk profile remains unchanged, the MAP will remain suitable.

In fact there are 7 risk profiles generated by the tool on Portus, but there is no MAP corresponding to level 1 – which is basically cash – or level 7, which is best described as 'highly adventurous' and outside the scope of packaged propositions such as this.

All 5 MAPs appear as funds in your clients' portfolio statements, making it clear and simple for them to understand their position. However, if you or your clients wish to drill down into the composition of MAPs, this is possible too using the comprehensive analysis functionality of Portus.

DYNAMIC SHARE TO CASH (DSC)

Each MAP uses ILIM's unique and innovative Dynamic Share to Cash model. More comprehensive information is available in ILIM's DSC information guides.

Nonetheless, DSC aims to reduce the 'drawdown' of the MAP funds (that is the distance from peak to trough in performance) in adverse market conditions, while allowing the portfolio to enjoy the lion's share of upside performance in times of recovery. It does this by allocating money away from developed market shares into cash when a sophisticated array of early warning systems suggest that there is greater potential for stock market falls.

DSC is a remarkable way to help clients smooth volatility and reduce the psychological impact of changeable markets. It comes as standard with all MAPs on Portus.

BUILDING YOUR OWN

You are free to build investment strategies by selecting individual funds. You can trade these at any time – there are no trading charges on Portus – and maintain your own buy lists and tactical or strategic asset allocations.

You also have access to our Portfolio Rebalancing Tool, which tells you what trades you need to make to bring a client back to their original risk profile.

We do all we can to simplify the mechanics of building and running portfolios, but for us the real value that advisers bring to their clients is in the creation of financial plans and better client understanding, rather than investment analytics.

THE BUILDING BLOCKS

Now we've looked at the three portfolio approaches you can use, let's go a little deeper on what assets are available to populate them.

CORE RANGE

Our Core range is designed to cover all key investment sectors from carefully selected external managers including both passive and active options. You'll find about 50 externally managed funds in the Core range. We have been able to achieve particularly advantageous rates on these funds. If you are constructing your own portfolios, please look closely how using the Core range can suppress the total cost of investing for your client. All funds are single priced and there is no cost for trading.

The externally managed range is created for us by Morningstar OCSR, who also support our wider Select range. Morningstar OCSR brings the full power of its global resources to produce a range based on retrospective quantitative and forward-looking qualitative research, wrapped inside its 5 pillars approach:

Source: Morningstar



People
How talented are the fund managers?

Process
What is the strategy and how does that translate into the portfolio?

Parent
What priorities prevail at the firm? Stewardship or salesmanship?

Performance
Why did the fund behave a certain way in different markets?
Price
Is the fund a good value proposition compared to similar funds sold through similar channels?

SELECT RANGE

We know that advisers value having investment options beyond those from the Core stable, so Morningstar OCSR also creates a wider range just for Portus. The Select range is steadily growing and will soon number about 200 funds including Core. We have worked with Morningstar OCSR to create a screening system which will provide you and your clients with reassurance and also assist with your due diligence record keeping. While this is rigorous and consistent, we do have a little more scope to look more widely in this range and pick up some quality funds which might not make it into Core.

Just like the Core range, Select funds do not carry any initial or trading charges. And of course, Portus contains comprehensive fund research capabilities, so you can X-ray the selection using our technology.

SOME OF THE FUND MANAGERS AVAILABLE:



SELF-INVESTED FUND

There may be some circumstances where clients may require the use of a non-standard investment option. For example, clients may well hold a fund that is important to them or equities which you as advisers are happy to take under your wing.

Whatever the case, we carry a fund link called the Self Invested Fund which opens the world of international investment to you and your clients.

To all intents and purposes the SIF looks like a normal fund link, but sitting behind it is a 'jump' to an extensive broking capability which is as happy holding derivatives and securities as it is mutual funds.

As you would expect for a service of this type, additional custody and dealing costs apply. For details please see the separate SIF guide, available on request.

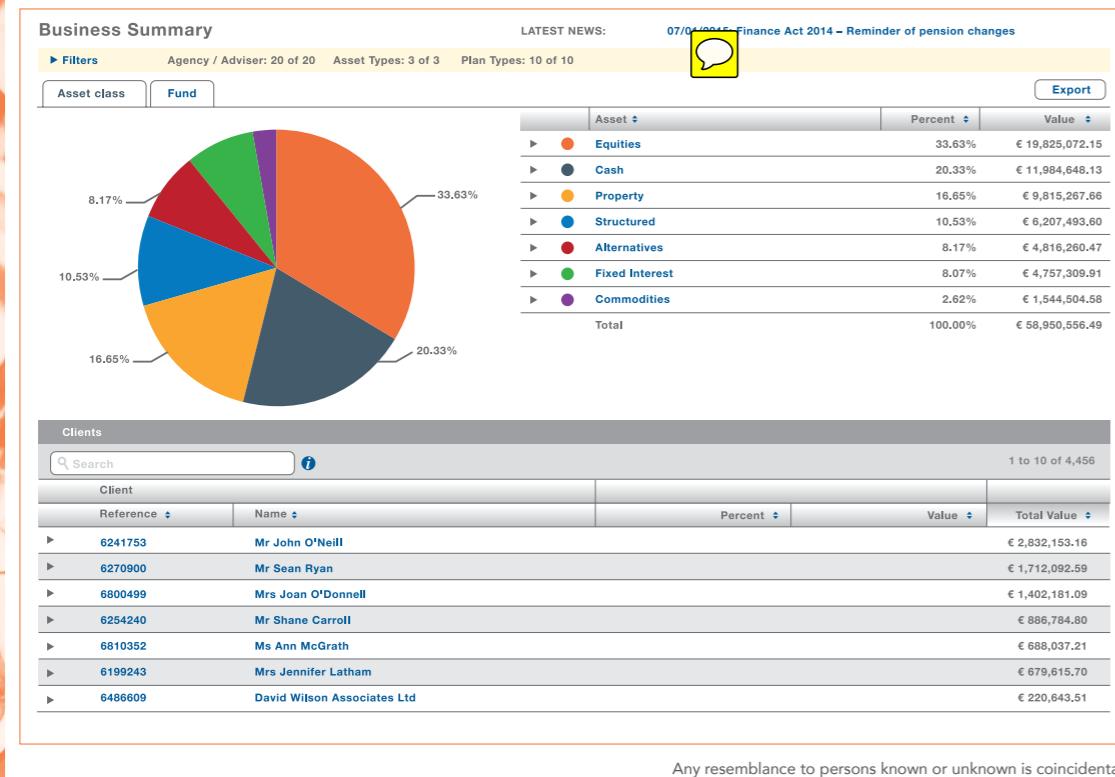
BRINGING IT ALL TOGETHER

So we've seen that Portus' Investment Hub offers a huge range of investment power. Choice is a big part of that, but when using a platform the real power comes in making processes slick. Once again, your portfolios should be:

- based on and relevant to client needs
- auditable
- maintainable
- efficient

As part of your onboarding process we'll help you load up your portfolios and show you how to allocate the portfolio to a client as you set them up on the platform.

It's painless, quick, and will revolutionise how you think of investments.



CONCLUSIONS & NEXT STEPS

We hope this short guide to the very wide range of investment options and support available through Portus has been of interest. We think it's the most evolved investment proposition in Ireland today.

From this strong base, we think you can build the investment strategy – whether you use bespoke portfolios, MAPs or build your own – which will ensure your client meets their financial goals in the way you planned.

We do have some work to do together at the start. It won't come as a surprise that strong foundations are the key to building a successful partnership on Portus. But don't worry. The Portus team will be with you every step of the way.

Portus isn't for everyone. But if you're not a user and would like to see if we might be suitable partners for your business in this fascinating and rapidly changing time, please do get in touch. We can't wait to get started.

Call us on **01 856 3158** or email us on **platformmeup@irishlife.ie** and find out what Portus really can do for you and your clients.

